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UNCLAS ABUJA 002990

SIPDIS

NOFORN
SENSITIVE

DEPARTMENT FOR AF/RA:BITTRICK, AF/W, AF/EX

E.O. 12958: N/A

TAGS: MARR MASS ASEC NI

SUBJECT: NIGERIA: ALLEGATIONS OF DOS CONTRACTOR FRAUD FOR OPERATION FOCUS RELIEF

SENSITIVE BUT UNCLASSIFIED - PROTECT ACCORDINGLY

¶1. (U) This is an action request. Please see para 5.

¶2. (SBU/NF) A Pacific Architects and Engineers (PA&E) contract employee has alleged significant contract fraud on the part of PA&E contract employees in Nigeria. PA&E is the Department of State contractor for Operation Focus Relief logistics.

¶3. (SBU/NF) According to the employee, both expatriate and host nation employees are involved in significant contract fraud. Specifically, the PA&E in-country headquarters (Abuja) accountant, a Nigerian national, and her brother, are alleged to have colluded with other Nigerian employees of PA&E, as well as expatriate employees, to defraud the U.S. government. This is achieved by: overcharging for services and equipment and pocketing the surplus; arranging for the accountant's extended family to be awarded contracts for services and equipment in order to effect the overcharges; ordering the destruction of receipts; and, threatening expatriate employees with bodily harm if they blow the whistle.

¶4. (SBU/NF) The person who made the above allegations has been hurriedly removed as a PA&E employee and has left the country. Other PA&E expatriate employees will leave over the next three weeks.

¶5. (SBU/NF) ACTION REQUEST: Embassy requests that the Department quickly send a joint PA&E/Department of State audit team to investigate the matter. Time is of the essence. Operation Focus Relief ends December 15. PA&E Nigeria has begun shutting down operations and transferring personnel. The nature of the allegations, given the extensive relationship between PA&E and the department, makes this a serious issue. END ACTION REQUEST.
Jeter